

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Request by Verizon South Inc. for Limited)	
Modification of LATA Boundaries to Provide)	WC Docket No. 06-144
Extended Local Calling Service Between Verizon)	
South Inc.'s Rocky Gap and United Telephone-)	
Southeast, Inc.'s Bland Rate Exchanges)	

MEMORANDUM OPINION AND ORDER

Adopted: September 22, 2006

Released: September 22, 2006

By the Chief, Competition Policy Division:

I. INTRODUCTION

1. On June 5, 2006, Verizon South Inc. ("Verizon"), pursuant to section 3(25) of the Communications Act of 1934, as amended (the Act),¹ filed a petition (Verizon Petition) to provide two-way, flat-rated, non-optional, expanded local calling service (ELCS) between certain exchanges in Virginia. Verizon requests a limited modification of the LATA boundary to provide ELCS between Verizon's Rocky Gap exchange, located in Bland County, Virginia, and United Telephone-Southeast, Inc.'s ("United") Bland Exchange, also located in Bland County, Virginia.² The Virginia State Corporation Commission (Virginia Commission) has already approved ELCS between these exchanges.³ We grant Verizon's Petition for the reasons stated below.

¹ See 47 U.S.C. § 153(25). Section 3(25) of the Act defines a Local Access and Transport Area (LATA) as a contiguous geographic area (1) established prior to enactment of the 1996 Act by a Bell Operating Company (BOC) such that no exchange area includes points within more than one metropolitan statistical area, consolidated metropolitan statistical area, or state, except as expressly permitted under the AT&T Consent Decree; or (2) established or modified by a BOC after such date of enactment and approved by the Commission. *Id.*

² See Request of Verizon South Inc. for Limited Modification of the LATA Boundaries to Provide ELCS Between Verizon South Inc.'s Rocky Gap and United Telephone Southeast, Inc.'s Bland Rate Exchanges, WC Docket No. 06-144 (filed June 5, 2006). See *Pleading Cycle Established for Comments on Verizon's Request for Limited Modification of the LATA Boundaries to Provide ELCS Between Verizon South Inc.'s Rocky Gap Exchange and United Telephone Southeast, Inc.'s Bland Rate Exchange*, WC Docket No. 06-144 (rel. July 27, 2006). We note that both exchanges are in Virginia, but that Verizon's Rocky Gap exchange is in the Bluefield, West Virginia Independent Market Area and United's Bland exchange is in the Bristol-Johnson City, Tennessee Independent Marketing Area. ELCS (also known as extended area service (EAS)) allows local telephone service rates to apply to nearby telephone exchanges, thus providing an expanded local calling area.

³ See Verizon Petition at 1 and Attachment (Virginia State Corporation Commission, *Petitions of United Telephone-Southeast, Inc. Bland Exchange Customers and Verizon South Inc. Rocky Gap Exchange Customers For Extended Local Service between United Telephone's Bland Exchange and Verizon South's Rocky Gap Exchange*, Case No. PUC-2005-00054, Final Order (rel. Feb. 13, 2006 (*Virginia Order*)). The total number of network access lines in Verizon's Rocky Gap exchange is 1,886. The total number of network access lines in United's Bland exchange is 1,879. Verizon Petition at 1.

II. BACKGROUND

2. Requests for new EAS routes are generally initiated by local subscribers.⁴ Although intraLATA EAS routes can be ordered by a state commission,⁵ requests for interLATA EAS routes fall within the Federal Communications Commission's (Commission) exclusive jurisdiction pursuant to section 3(25)(B) of the Act.⁶ Applying a two-part test, the Commission will grant a request for a LATA boundary modification where: (1) the applicant proves that the requested LATA modification would provide a significant public benefit; and (2) granting the petition would not remove the BOC's incentive to receive authority to provide in-region, interLATA service pursuant to section 271 of the Act.⁷ The Verizon Petition proposes to establish two-way, non-optional ELCS, and is accompanied by an Order issued by the Virginia Commission approving the ELCS between the Rocky Gap and Bland exchanges and directing Verizon to petition for a modification of the LATA boundary to implement the ELCS route.⁸ No party filed comments opposing Verizon's Petition.

III. DISCUSSION

3. We conclude that Verizon's petition satisfies the Commission's two-part test. Applying the first prong of the test, we find that Verizon has shown that a significant public interest benefit would result from the ELCS because a sufficient community of interest exists among the affected exchanges to justify treatment as a local calling area.⁹ In reaching this finding, we note that Verizon proposes to offer traditional, two-way, non-optional ELCS between the exchanges,¹⁰ which is the type of service this Commission has determined to be consistent with the public interest.¹¹ We also find it a persuasive indicator of a community of interest that the Virginia Commission found that the polling results of the customers in both exchanges demonstrated that a majority of them support the proposed ELCS route,¹² which, as Verizon explains, will enhance communications between Rocky Gap and the nearby governmental, medical, employment, and retail/commercial center of Bland in Bland County.¹³ The Virginia Commission therefore approved the service.¹⁴ We find, accordingly, that the petition is based on a significant community of interest, and thus satisfies the first prong of the Commission's two-part test.

⁴ Verizon states that, on April 18, 2005, its Rocky Gap exchange subscribers petitioned the Virginia Commission for ELCS to United's Bland exchange. Verizon Petition at 3.

⁵ *United States v. Western Electric Company, Inc.*, 569 F. Supp. 990, 995 (D.D.C. 1983) ("The distance at which a local call becomes a long distance toll call has been, and will continue to be, determined exclusively by the various state regulatory bodies.").

⁶ *Application for Review and Petition for Reconsideration or Clarification of Declaratory Ruling Regarding U S WEST Petitions to Consolidate LATAs in Minnesota and Arizona*, File No. NSD-L-97-6, Memorandum Opinion and Order, 14 FCC Rcd 14392, 14393-143402, paras. 4-20 (1999).

⁷ See *SBC Telecom, Inc. Petition for Modification of Certain LATA Boundaries in Ohio*, File No. NSD-L-00-25, Memorandum Opinion and Order, 18 FCC Rcd 26398, 26399-263402, paras. 2, 6-8 (2003).

⁸ *Virginia Order* at 2-3.

⁹ See *Petitions for Limited Modification of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) at Various Locations*, CC Docket No. 96-159, Memorandum Opinion and Order, 12 FCC Rcd 10646, 10653, para. 14 (1997) (*July 1997 LATA Order*).

¹⁰ Verizon Petition at 1.

¹¹ See *July 1997 LATA Order*, 12 FCC Rcd at 10654-56, paras. 18-19.

¹² *Virginia Order* at 1-2.

¹³ Verizon Petition at 3.

¹⁴ *Virginia Order* at 2-3; Verizon Petition at 1.

4. Verizon also satisfies the second prong of the two-part test because it has already opened its market to competition in Virginia, and the Commission has thus granted it authority under section 271 to offer long distance service in that state.¹⁵ Thus, granting the requested modification has no bearing on Verizon's incentive to receive such authority. Moreover, we conclude that the LATA boundary modification would have a minimal effect upon Verizon's incentives because modification of the LATA boundary would affect only a small number of access lines.¹⁶ As a result, we believe that granting Verizon's petition serves the public interest by permitting a minor LATA modification where such modification is necessary to meet the needs of local subscribers. Accordingly, we approve Verizon's petition for a limited LATA boundary modification.

5. We grant this relief solely for the limited purpose of allowing Verizon to provide ELCS between specific exchanges or geographic areas identified in this request. The LATA boundary is not modified to permit Verizon to offer any other type of service, including calls that originate or terminate outside the specified areas. Thus, two-way, non-optional ELCS between the specified exchanges will be treated as intraLATA service.

IV. ORDERING CLAUSE

6. Accordingly, IT IS ORDERED, pursuant to sections 3(25) and 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 153(25), 154(i), and authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, that the request of Verizon South Inc. for a LATA boundary modification for the limited purpose of providing two-way, traditional, non-optional ELCS between the specific locations in Virginia, as identified in WC Docket No. 06-144, IS APPROVED.

FEDERAL COMMUNICATIONS COMMISSION

Renee C. Crittendon
Chief, Competition Policy Division
Wireline Competition Bureau

¹⁵ *Application by Verizon Virginia, Inc., Verizon Long Distance Virginia, Inc., Verizon Enterprise Solutions Virginia, Inc., Verizon Global Networks Inc., and Verizon Select Services of Virginia, Inc. for Authorization to Provide In-Region, InterLATA Services in Virginia*, WC Docket No. 02-214, Memorandum Opinion and Order, 17 FCC Rcd 21880 (2002).

¹⁶ For the purposes of EAS petitions, we generally consider the number of access lines from customers in the smaller exchange who seek to reach businesses and services in the other exchange because the smaller exchange usually generates the majority of calls. *Southwestern Bell Petitions for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS)*, WC Docket No. 02-134, Memorandum Opinion and Order, 17 FCC Rcd 25540 (2002). In this case, while the number of access lines in both the Rocky Gap and Bland exchanges are approximately equal in number, it is clear that the LATA boundary modification will affect only a small number of access lines. See *supra* note 3.